

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ISO-00 FEA-02 TRSE-00 CIAE-00

COME-00 DODE-00 FMC-04 INR-10 NSAE-00 RSC-01 CG-00

COA-02 DLOS-06 INT-08 PM-07 H-03 L-03 NSC-10 PA-04

PRS-01 SPC-03 SS-20 USIA-15 SAM-01 SCI-06 DRC-01 /155 W

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P R 311015Z JAN 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 742

INFO AMEMBASSY BONN

AMEMBASSY LONDON

LIMITED OFFICIAL USE MANILA 1175

E.O. 11652: N/A

TAGS: ETRN, RP

SUBJECT: BUNKER FUEL FOR US FLAG VESSELS

REF: A. MANILA 860 B. STATE 19520 (NOTAL)

1. SUMMARY: EVENTS SUBSEQUENT TO DEPARTURE
SS ADABELLE LYKES INDICATE THAT GOP MAY BE MODIFYING ITS
POSITION RE BUNKERING. EMBASSY WAS ABLE TO ARRANGE
BUNKERS FOR SS PRESIDENT HAYES (REF A) AND WEST GERMAN
EMBASSY HAS RECEIVED VERBAL AGREEMENT FROM GOP TO ALLOW
HAPAG-LLOYD VESSELS TO PICK UP MINIMUM OF 200
TONS BUNKERS WITHOUT REGARD TO PERCENTAGE OF PHILIPPINE
CARGO. EMBASSY HAS INFORMALLY BROUGHT BUNKERING
INSTRUMENTAL IN OBTAINING APPROVAL FOR PRESIDENT
HAYES. AT PRESENT OTHER MARITIME COUNTRIES ALSO
APPEAR INCLINED TO SEEK SOLUTION THROUGH INFOCUAL
APPROACH. IN VIEW OF THESE FACTORS, EMBASSY
BELIEVES FORMAL APPROACH TO DFA SHOULD AWAIT RESULTS OF
LESS FORMAL EFFORTS PURSUED PARALLEL WITH THOSE
OTHER INTERESTED COUNTRIES SEEKING TO RESOLVE
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DISCRIMINATION ISSUE WITH GOP OFFICIALS DIRECTLY

RESPONSIBLE. END SUMMARY.

2. ALONG WITH LETTER TO INDUSTRY SEC PATERNO ASKING FOR EMERGENCY BUNKERS FOR PRESIDENT HAYES (REF A), EC/COM COUNSELOR SENT INFORMAL NOTE POINTING OUT PROBLEMS INHERENT IN POLICY OF APPROVING BUNKERING ON BASIS OF FLAG AND CARGO. CASE OF ADABELLE LYKES WAS GIVEN AS PARTICULAR INSTANCE OF WHAT COULD BE CONSIDERED DISCRIMINATION. NOTE ALSO MENTIONED THAT USG REGULATIONS RE BUNKERING ALLOWED FOR CONSIDERATION ON CASE TO CASE BASIS TO BRING ABOUT RECIPROCITY. EMBASSY INTENDS FOLLOWUP WITH PATERNO IN LETTER BASED ON REFTEL B. AS DEPARTMENT AWARE, GOP APPROVED BUNKERS FOR PRESIDENT HAYSE ALTHOUGH SHIP NOT ABLE ACTUALLY TAKE ON BUNKERS FROM LOCAL STOCK OWING TO TECHNICAL, NOT GOP POLICY, PROBLEMS.

3. AFTER WEST GERMAN VESSEL, RECENTLY DENIED BUNKERS AS MANILA, FRG EMBASSY SENT LETTER TO PHILIPPINE NATIONAL OIL COMPANY JANUARY 14 ASKING THAT GOP ALLOW WEST GERMAN VESSELS TO BUNKER IN PHILIPPINES EVEN IF VESSEL HAD SUFFICIENT BUNKERS TO REACH NEXT POST. LETTER POINTED OUT THAT GERMAN SHIPPING COMPANIES HAD ADOPTED POLICY OF BUNKERING IN EACH PORT OF CALL "TO DISTRIBUTE THE BURDEN." ALSO INCLUDED IN LETTER WAS STATEMENT OF FRG POLICY AS FOLLOWS:1."IN GERMANY MEASURES HAVE BEEN TAKEN THAT FOREIGN SHIPS BE GIVEN EQUAL TREATMENT AS DOMESTIC VESSELS IN THE SUPPLY OF BUNKER OIL."

4. ALTHOUGH NOT STATED IN LETTER W. GERMAN EMBASSY SOUGHT TO GET AGREEMENT ON MINIMUM AMOUNT BUNKERS EACH W. GERMAN FLAG VESSEL WOULD BE PERMITTED IN PHILIPPINES. IN TALKS WITH TRADE SEC QUIAZON AND PNOC OFFICIAL JANUARY 30, GERMAN ECON COUNSELOR WAS ABLE TO GET VERBAL AGREEMENT THAT HAPAG-LLOYD VESSELS CALLING AT MANILA WILL BE ABLE TO PICK UP 200 TONS BUNKER OIL.

5. REPRESENTATIVES FROM EMBASSIES OF UNITED KINGDOM, BELGIUM, NETHERLANDS, FRANCE AND W. GERMANY MET ON LIMITED OFFICIAL USE

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JANUARY 25 TO DISCUSS POSSIBLE JOINT APPROACH TO GOP TO SEEK CHANGE IN BUNKERING REGULATIONS. UK AND W GERMANY URGESTHAT COUNTRIES TOGETHER WITH OTHER MARITIME NATIONS SEEK MEETINGS WITH GOP OFFICIALS IN PARTICULAR PNOC TO DISCUSS BUNKERING SITUATION. OTHERS ASKEDTHAT DECISION BE RESERVED UNTIL THEY HAD OPPORTUNITY TO CONSULT WITH HOME OFFICES. MEETING TO DISCUSS POSSIBLE APPROACH IN LIGHT THESE

CONSULTATIONS SCHEDULED FOR FEB. 7.

6. JAPANESE EMBASSY HAS ADVISED TOKYO OF CURRENT
GOP POTOCY AND ASKED FOR GUIDANCE. TOKYO HAS ASKED
EMBASSY MANILA TO SURVEY PRESENT SITUATION
TO DETERMINE IF JAPANESE VESSELS ENCOUNTERING PROBLEMS.
WITHOUT GO-AHEAD FROM TOKYO, IT UNLIKELY THAT JAPANESE
WG LD BE WILLING TO JOIN IN ANY APPROACH TO GOP.

7. COMMENT: EMBASSY FEELS SITUATION MAY BE IMPROVING
AND THAT BUNKERING PROBLEM MAY BECOME MANAGEABLE WITHOUT
HAVING TO MAKE FORMAL APPROACH TO DFA. IN FACT EFFORT

COULD BE SET BACK BY APPROACH PER PARA 4 REF B. WE
ARE HOPEFUL THAT SUFFICIENT INTEREST AMONG OTHER

MARITIME COUNTRIES CAN BE GENERATED AND THAT BY DISCUSSIONS
WITH GOP OFFIKGALS DIRECTLY RESPONSIBLE WE CAN BRING
ABOUT MODIFICATION OF DISCRIMINATORY ASPECTS OF
PHILIPPINE REGULATION. WE ARE WORKING CLOSELY
WITH AMERICAN LINES AND AGENTS AND WILL,
IF SITUATION REQUIRES, MAKE MORE FORMAL APPROACH.
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